

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: PHILLIP GURGONE, CRD # 4474635

) File No. 1500168
)

NOTICE OF HEARING

TO THE RESPONDENT: Phillip Gurgone
 Benjamin & Jerold Brokerage I, LLC
 80 Broad St, 6th Floor
 New York, NY 10005

Phillip Gurgone
Trac Asset Management LLC
5707 S. Cass Ave.
Westmont, IL 60559

You are hereby notified that pursuant to Section 11.F of the Illinois Securities Law of 1953, [815 ILCS 5/1 *et seq.*] (the "Act") and 14 Ill. Adm. Code 130, Subpart K, (the "Code") a public hearing will be held at 300 W. Jefferson Avenue, Suite 300A, Springfield, Illinois, 62702, on the 16th day of September, 2015 at the hour of 10:00 a.m. or as soon thereafter as counsel may be heard, before Jon K. Ellis or such other duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine whether an Order should be entered suspending or revoking the registration of Phillip Gurgone (the "Respondent") as a salesperson and investment adviser representative in the State of Illinois and whether to grant such other relief as may be authorized under the Act, including, but not limited to, imposition of a monetary fine, pursuant to Section 11.E.(4) of the Act, payable within ten (10) business days of the entry of the Order.

The grounds for such proposed action are as follows:

1. At all relevant times, the Respondent was registered with the Secretary of State as a salesperson in the State of Illinois pursuant to Section 8 of the Act.
2. Respondent is currently a Registered Representative of Benjamin & Jerold Brokerage I, LLC, a dealer registered in the State of Illinois pursuant to Section 8 of the Act.

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3. Respondent is also currently an Investment Adviser Representative of Trac Asset Management LLC, an investment adviser registered in the State of Illinois pursuant to Section 8 of the Act.
4. On or about March 7, 2015, the Illinois Department of Revenue sent a Collection Action Notice of Intent letter to Respondent's home address. The letter advised that, if the Respondent did not resolve his debt owed to the Department of Revenue, his salesperson license would be suspended and provided contact information for the Department of Revenue.
5. On or about June 19, 2015, the Office of the Secretary of State, Illinois Securities Department sent a letter to the Respondent via certified mail notifying the Respondent that he had failed to effectively respond to the Department of Revenue and warning of the possible negative effect on his registration. Respondent was required to explain the situation, and Respondent's efforts to resolve it, in a notarized affidavit to the Securities Department within 10 business days of the date on which the letter was delivered.
6. On June 22, 2015, the certified letter was delivered to Respondent's office.
7. On July 7, 2015, the Securities Department contacted representatives of Benjamin & Jerold Brokerage I, LLC and Trac Asset Management LLC, informing the firms that Respondent had failed to respond to the Securities Department letter within 10 business days of receipt of the letter and warning that enforcement action would be taken if his affidavit was not delivered to the Department by July 9, 2015.
8. The Respondent failed to provide the affidavit.
9. Section 12.D of the Act provides, *inter alia*, that it shall be a violation of the provisions of the Act for any person to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act.
10. By virtue of the foregoing, the Respondent has committed a violation of Section 12.D of the Act.
11. Section 8.E(1)(g) of the Act provides that the registration of a salesperson or investment adviser representative may be suspended or revoked if the salesperson or investment adviser representative has violated any of the provisions of this Act.
12. Section 8.E(1)(o) provides that the registration of a salesperson or investment adviser representative may be denied, suspended or revoked if the Secretary of State finds that such salesperson or investment adviser representative has failed to file a return, or to

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pay the tax, penalty or interest shown in a filed return, or to pay any final assessment of tax, penalty or interest, as required by any Act administered by the Illinois Department of Revenue, until such time as the requirements of that Act are satisfied.

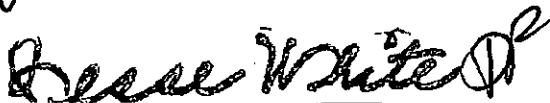
13. Section 11.E(4) of the Act provides, *inter alia*, that the Secretary of State, after finding that any provision of the Act has been violated, may issue an order of censure, charge costs of investigation, and impose a fine not to exceed \$10,000 for each violation of the Act.
14. Section 11.F(1) of the Act provides, *inter alia*, that the Secretary of State may suspend or revoke the registration of a salesperson or investment adviser representative and impose a fine for violation of the Act after an opportunity for hearing upon not less than 10 days notice given by personal service or registered mail or certified mail, return receipt requested, to the person or persons concerned.
15. By virtue of the foregoing, the Respondent is subject to a fine of up to \$10,000 per violation, an order of censure, and an order that suspends or revokes his registration in the State of Illinois pursuant to Sections 8 and 11 of the Act.

You are further notified that you are required pursuant to Section 130.1104 of the Code to file an answer to the allegations outlined above within thirty (30) days of the receipt of this Notice. A failure to do so within the prescribed time shall be deemed an admission of the allegations contained in the Notice of Hearing and waives your right to a hearing.

You may be represented by legal counsel, present evidence, cross-examine witnesses and otherwise participate. However, a failure to appear shall constitute default.

Delivery of Notice to the designated representative of the Respondent constitutes service upon such Respondent.

ENTERED: This 13th day of July, 2015.



JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:

Shannon Bond

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Illinois Securities Department
300 W. Jefferson St., Suite 300A
Springfield, Illinois 62702
Telephone: (217) 524-0648

Hearing Officer:

Jon K. Ellis